

1 KAREN MATTESON, Cal. Bar No. 102103
Email: mattesonk@sec.gov

2 Attorney for Plaintiff
3 Securities and Exchange Commission
Rosalind R. Tyson, Regional Director
4 Andrew G. Petillon, Associate Regional Director
John M. McCoy III, Regional Trial Counsel
5 5670 Wilshire Boulevard, 11th Floor
Los Angeles, California 90036
6 Telephone: (323) 965-3840
Facsimile: (323) 965-3908

7
8 **UNITED STATES DISTRICT COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **SOUTHERN DIVISION**

11
12 SECURITIES AND EXCHANGE
COMMISSION,

13 Plaintiff,

14 vs.

15 SAFEVEST, LLC; JON G. ERVIN; and
16 JOHN V. SLYE;

17 Defendants.

Case No. SACV08-00473 JVS (MLGx)

**FINAL JUDGMENT OF
PERMANENT INJUNCTION AND
OTHER RELIEF BY DEFAULT**

18
19 This matter came on for hearing on the Motion by Plaintiff Securities and
20 Exchange Commission ("Commission") for Entry of a Default Judgment against
21 Defendant Jon G. Ervin ("Ervin"), made pursuant to Fed. R. Civ. P. 55(b)(2). The
22 Commission filed its motion following entry by the Clerk on June 3, 2008, of a
23 Default against Ervin pursuant to Fed. R. Civ. P. 55(a), based on his failure to
24 plead or otherwise defend this action. Although served with the Commission's
25 motion papers, Ervin has not opposed or otherwise responded to the motion.

26 Accordingly:

27 **I.**

28 IT IS HEREBY ORDERED that the Motion By Plaintiff Securities And

1 Exchange Commission For Entry Of Default Judgment Against Defendant Jon G.
2 Ervin GRANTED.

3 **II.**

4 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
5 defendant Ervin and his agents, servants, employees, and attorneys, and those
6 persons in active concert or participation with any of them, who receive actual
7 notice of this Final Judgment, by personal service or otherwise, and each of them,
8 be and hereby are permanently restrained and enjoined from, directly or indirectly,
9 in the offer or sale of any securities, by the use of any means or instruments of
10 transportation or communication in interstate commerce or by use of the mails:

- 11 A. employing any device, scheme or artifice to defraud;
12 B. obtaining money or property by means of any untrue statement of a
13 material fact or any omission to state a material fact necessary in order
14 to make the statements made, in light of the circumstances under
15 which they were made, not misleading; or
16 C. engaging in any transaction, practice, or course of business which
17 operates or would operate as a fraud or deceit upon the purchaser;
18 in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

19 **III.**

20 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
21 defendant Ervin and his agents, servants, employees, and attorneys, and those
22 persons in active concert or participation with any of them, who receive actual
23 notice of this Final Judgment, by personal service or otherwise, and each of them,
24 be and hereby are permanently restrained and enjoined from, directly or indirectly,
25 in connection with the purchase or sale of any security, by the use of any means or
26 instrumentality of interstate commerce, or of the mails, or of any facility of any
27 national securities exchange:

- 28 A. employing any device, scheme or artifice to defraud;

1 B. making any untrue statement of a material fact or omitting to state a
2 material fact necessary in order to make the statements made, in the
3 light of the circumstances under which they were made, not
4 misleading; or

5 C. engaging in any act, practice, or course of business which operates or
6 would operate as a fraud or deceit upon any person;
7 in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule
8 10b-5 thereunder, 17 C.F.R. § 240.10b-5.

9 **IV.**

10 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
11 defendant Ervin is liable for disgorgement of \$439,435.00, representing profits
12 gained as a result of the conduct alleged in the Complaint, together with
13 prejudgment interest thereon in the amount of \$2,942.41, for a total of
14 \$442,377.41. Defendant shall satisfy this obligation by paying \$442,377.41 within
15 ten (10) business days after entry of this Final Judgment by certified check, bank
16 cashier's check, or United States postal money order payable to Thomas A.
17 Seaman, the Court-appointed Receiver in this action. The payment shall be
18 delivered or mailed to Mr. Seaman at 2 Park Plaza, Suite 480, Irvine, CA 92614-
19 3512. Defendant shall pay post-judgment interest on any delinquent amounts
20 pursuant to 28 U.S.C. § 1961.

21 **V.**

22 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that
23 defendant Ervin shall pay a civil penalty in the amount of \$130,000.00 pursuant to
24 Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d)(3) of the
25 Exchange Act, 15 U.S.C. § 78u(d)(3). Defendant shall satisfy this obligation by
26 paying \$130,000.00 within ten (10) business days after entry of this Final
27 Judgment by certified check, bank cashier's check, or United States postal money
28 order payable to the Securities and Exchange Commission. The payment shall be

1 delivered or mailed to the Office of Financial Management, Securities and
2 Exchange Commission, Operations Center, 6432 General Green Way, Mail Stop 0-
3 3, Alexandria, Virginia 22312, and shall be accompanied by a letter identifying
4 Ervin as the defendant in this action; setting forth the title and civil action number
5 of this action and the name of this Court; and specifying that payment is made
6 pursuant to this Final Judgment. The Commission shall remit the funds paid
7 pursuant to this paragraph to the United States Treasury.

8 **VI.**

9 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that
10 paragraphs IV. through XIV. of the Preliminary Injunction, which impose an asset
11 freeze and which govern the conduct of the receivership in this action, shall remain
12 in full force and effect until further order of this Court.

13 **VII.**

14 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this Court
15 shall retain jurisdiction over this action for the purpose of implementing and
16 carrying out the terms of this Final Judgment and all orders and decrees which may
17 be entered herein and to entertain any suitable application or motion for additional
18 relief within the jurisdiction of this Court.

19 **VIII.**

20 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that, there
21 being no just reason for delay, the Clerk of the Court is hereby directed, pursuant to
22 Rule 54(b) of the Federal Rules of Civil Procedure, to enter this Final Judgment
23 forthwith.

24 Dated: September 19, 2008



26 HONORABLE JAMES V. SELNA
27 UNITED STATES DISTRICT JUDGE
28

PROOF OF SERVICE

I am over the age of 18 years and not a party to this action. My business address is:

[X] U.S. SECURITIES AND EXCHANGE COMMISSION, 5670 Wilshire Boulevard, 11th Floor, Los Angeles, California 90036-3648

Telephone No. (323) 965-3998; Facsimile No. (323) 965-3908.

On August 15, 2008, I caused to be served the document entitled **[PROPOSED] FINAL JUDGMENT OF PERMANENT INJUNCTION AND OTHER RELIEF BY DEFAULT** on all the parties to this action addressed as stated on the attached service list:

[X] **OFFICE MAIL:** By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this agency's practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

[] **PERSONAL DEPOSIT IN MAIL:** By placing in sealed envelope(s), which I personally deposited with the U.S. Postal Service. Each such envelope was deposited with the U.S. Postal Service at Los Angeles, California, with first class postage thereon fully prepaid.

[] **EXPRESS U.S. MAIL:** Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, California, with Express Mail postage paid.

[] **HAND DELIVERY:** I caused to be hand delivered each such envelope to the office of the addressee as stated on the attached service list.

[] **FEDERAL EXPRESS:** By placing in sealed envelope(s) designated by Federal Express with delivery fees paid or provided for, which I deposited in a facility regularly maintained by Federal Express or delivered to a Federal Express courier, at Los Angeles, California.

[X] **ELECTRONIC MAIL:** By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

[] **FAX:** By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

[X] **(Federal)** I declare that I am employed in the office of a member of the bar of this Court, at whose direction the service was made. I declare under penalty of perjury that the foregoing is true and correct.

Date: August 15, 2008

/s/ Karen Matteson
Karen Matteson

1 **SEC v. SAFEVEST, LLC, et al.**
2 **United States District Court – Central District of California**
3 **Case No. SACV08-00473 JVS (MLGx)**
4 **(LA-3454)**

5 **SERVICE LIST**

6 Ervin, Jon G. **(by U.S. mail only)**
7 Booking Number 0800004063
8 c/o Santa Ana Jail, M-88
9 P.O. Box 22003
10 Santa Ana, CA 92701

11 John V. Slye **(by electronic and U.S. mail)**
12 4222 Fortuna Center Plaza, #655
13 Dumfries, VA 22025
14 Email: jvsjmgf@gmail.com

15 Thomas A. Seaman, CFA **(by electronic and U.S. mail)**
16 Thomas Seaman Company
17 2 Park Plaza, Suite 480
18 Irvine, CA 92614-3512
19 Telephone: (949) 222-0551
20 Facsimile: (949) 222-0661
21 Email: tom@thomasseaman.com
22 ***Court-Appointed Receiver for Defendant Safevest, LLC***

23 David R. Zaro, Esq. **(by electronic and U.S. mail)**
24 Frank Scollan, Esq.
25 Allen Matkins Leck Gamble Mallory & Natsis LLP
26 515 S. Figueroa Street, 9th Floor
27 Los Angeles, CA 90071-3398
28 Telephone: (213) 622-5555
 Facsimile: (213) 620-8816
 Email: dzaro@allenmatkins.com
 Email: fscollan@allenmatkins.com
 Attorneys for Court-Appointed Receiver Thomas A. Seaman